

BOARD OF DIRECTORS – ACTION SUMMARY
Wednesday, July 28, 2004 – 6:00 p.m.

Administration Building
2101 Hurley Way, Sacramento, CA

CALL TO ORDER

The meeting was called to order by President Jones. Board Members present: Duveneck, Engellenner, Goold, Granados, Jones, Lawson, Trujillo, Valley. Staff: Deputy Chief Latta, General Counsel Price, Board Clerk Tilson.

PLEDGE OF ALLEGIANCE

PUBLIC OPPORTUNITY TO DISCUSS MATTERS OF PUBLIC INTEREST WITHIN DISTRICT JURISDICTION INCLUDING ITEMS ON OR NOT ON THE AGENDA

- Dick Crooks acknowledged the firefighters at Station 109 for their landscaping improvements which demonstrates a shared interest in the community.
- Referenced the delayed posting of minutes to the website and asked the Board to consider putting the electronic agenda on the website.

President Jones stated there is a normal delay for ratification of the Agenda and the Action Summary. Suggestion to be taken under consideration with our webmaster for space allocation and timing.

CONSENT AGENDA:

1. **Board Meeting Action Summary—July 14, 2004**
2. **Resolution No. 40-04—Grant Program Signatory Authorization**
3. **Fiscal Document/County of Sacramento—
Authorize Updated District Signatory List**

- **Board Action:**
Engellenner/Duveneck—approve the Consent Agenda. Directors Duveneck, Engellenner, Goold, Granados, Jones, Lawson, Trujillo, Valley, AYE. Motion carried.

ACTION ITEM(S)**1. BOARD DIRECTOR VACANCY—DIVISION 7—(Jones)****Interview Candidates to Fill Position**

President Jones explained the selection process: verbal presentation by each candidate not to exceed ten minutes; followed by a ten-minute question and answer period; final vote to select candidate to fill the vacant position; administer Oath of Office.

Candidates presentations conducted in order of random selection as follows:

Peter Tateishi
Matthew L. Kelly
Jack E. Kersten

The final phase of the interview process was conducted with each candidate participating in a question and answer period in the above order of random selection.

Appoint Director

- **Board Action:**
Goold/Lawson—Nominate Matthew Kelly. Directors Duveneck, Engellenner, Goold, Granados, Jones, Lawson, Trujillo, Valley, AYE. Unanimous in favor. Motion carried.

Administer Oath of Office

Board Clerk Tilson administered the Oath of Office to Matthew L. Kelly, appointed Director of Division 7; term of office to expire December, 2004.

On behalf of the Board, President Jones congratulated Director Kelly and thanked all of the candidates for their participation in the process.

2. Resolution—Pension Obligation Bonds—(Appel/Houghton)

- A two-page staff report with attachments was submitted with background information.
- At the July 14, 2004 Board meeting, the Board received a presentation related to POBs as a mechanism for refinancing our existing unfunded retirement liabilities. The revised resolution presented tonight addresses refinancing both the CalPERS and SCERS unfunded retirement liabilities as directed by the Board. Issuing POBs does not create any new debt for the District but refinances our existing unfunded retirement liabilities into a longer and more controlled payment program.

- Study results with projected savings from a reduction in interest rates will be brought back to the full Board for final approval prior to moving forward with the sale of bonds if it is advantageous.

Some Board members expressed concern that the Resolution itself does not contain any provision to this effect.

Counsel Price stated the Resolution is a standardized document prepared by Bond Counsel and is required to begin exploration of the process.

The staff report under Discussion states, "Adoption of the resolution does not commit the District to participate in a POB."

Deputy Chief Appel stated it will take approximately two months to come back with specifics.

- Staff recommends the Board adopt the Resolution authorizing staff to begin the process of exploring issuing Pension Obligation Bonds as a method of refinancing our existing CalPERS and SCERS unfunded retirement liabilities.

- **Board Action:**

Goold/Duveneck—approve the staff recommendation conditioned upon bringing it back to the full Board for final approval before sale of the bonds. Directors Duveneck, Goold, Jones, Valley, AYE. Directors Engellenner, Granados, Lawson, Trujillo, NO. Director Kelly, abstaining. Motion rejected by a 4 – 4 tie vote, with one abstention.

- Further discussion and concern expressed for insertion of language in the Resolution relative to ensuring final approval by the Board prior to bond sale.

Counsel Price stated he would have to consult Bond Counsel on any modification to the Resolution. A written opinion will be requested to make sure we are on solid ground.

Finance Director Houghton to work with Counsel Price and Deputy Chief Appel.

Upon completion of the feasibility study, bond counsel will make the presentation and answer any questions.

- **Board Action:**

General consensus to place this item on the next agenda.

3. Purchase of Helicopter Insurance Coverage—(Appel)

- Annually, staff requests the District broker, Alburger Basso DeGrosz (ABD), to solicit insurance coverage proposals.
- Proposals were received from the following companies:

| | |
|-----|----------|
| ACE | \$73,793 |
| AIG | \$91,673 |
| HCC | \$67,700 |

- Staff recommends the Fire Chief contract the District's helicopter insurance coverage for 2004/2005 with HCC at the quoted rate of \$67,700.
- Director Trujillo requested an item for the next agenda on an independent audit of the helicopter program.
- **Board Action:**
Goold/Valley—approve the staff recommendation. Directors Duveneck, Engellenner, Goold, Granados, Lawson, Trujillo, Valley, Jones, AYE. Director Kelly, abstaining. Motion carried.

PRESENTATION ITEM(S): None.

PRESIDENT'S REPORT—(Jones) None.

FIRE CHIEF'S REPORT—(Deputy Chief Latta) None.

GENERAL COUNSEL'S REPORT—(Price) None.

COMMITTEE AND DELEGATE REPORTS:**Executive Committee—(Jones)**

- Next meeting: TBA

Communications Center Delegate—(Engellenner)

- At yesterday's meeting, Comm Center Manager Harry to rework the entire Master Plan.
- Next Meeting: August 31, 2004 – 10:30 a.m.

California Fire & Rescue Training Authority—(Goold)

- Next Meeting: September 16, 2004 – 10:00 a.m.

Finance Committee—(Jones)

- Received presentation on meeting held today.
- Next meeting: August 25, 2004 – 5:00 p.m.

Policy Committee—(Granados)

- Next meeting: August 11, 2004 – 5:00 p.m.

BREAK FOLLOWED BY CLOSED SESSION 7:10 PM

[Taken out of order after Action Item No. 1]

RECONVENE TO OPEN SESSION 7:15 PM

Report by General Counsel Price:

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to California Government Code Section 54956.9(a) – One (1) Case

Drew Gullion vs Sacramento Metropolitan Fire District
WCAB SAC 328122

The Board met with the Workers' Compensation counsel and provided settlement authority. If and when a settlement is effectuated, the terms of the settlement will be reported at a subsequent open session.

BOARD MEMBER QUESTIONS AND COMMENTS**Kelly:**

- Thanked the Board members for their vote of confidence in his appointment as Director.

Valley:

- Welcomed Director Kelly.

Lawson:

- Welcomed Director Kelly.
- Last Thursday, he helped out at an accident in front of his office at Folsom and Watt. Welcomed relief by the rapid response of professional firefighters (Station 29) and wanted acknowledgement conveyed.

Trujillo:

- Requested the helicopter item be placed on the agenda for the next meeting—there are questions he would like to bring out.

President Jones requested written questions be submitted to staff for a response.

Granados:

- Welcomed Director Kelly.
- Thanked Station 63 crew and Medic 32 who responded to a medical aid yesterday morning at Aerojet. The crew was extremely professional and moved quickly.

Engellenner:

- Requested information back on the presence of Metro 1 on June 23, 2004, at a controlled burn that turned into an 80-acre grass fire in Elk Grove. Galt and Elk Grove handled the fire. Elk Grove stated Metro 1 was not called.

Deputy Chief Latta to check.

- Metro 1 was seen in the month of May in El Dorado County flying over houses blowing sirens.

Deputy Chief Latta requested the dates—Director Engellenner to provide dates of occurrence.

Duveneck:

- Welcomed Director Kelly.
- Absent for the next Board meeting—in Waikiki.

Jones:

- Welcomed Director Kelly to the Board.
Acknowledged the other two candidates—making the internal effort to offer their time for public service demonstrates very strong intent by all candidates.
- Metro Fire team raced to first place in the 31st Annual Eppie's Great Race. She took fourth place in her particular division.

ADJOURNMENT: The meeting was adjourned at 8:15 p.m.

Gay Jones, President

H. Peter Engellenner, Secretary

Charlotte Tilson, Clerk of the Board